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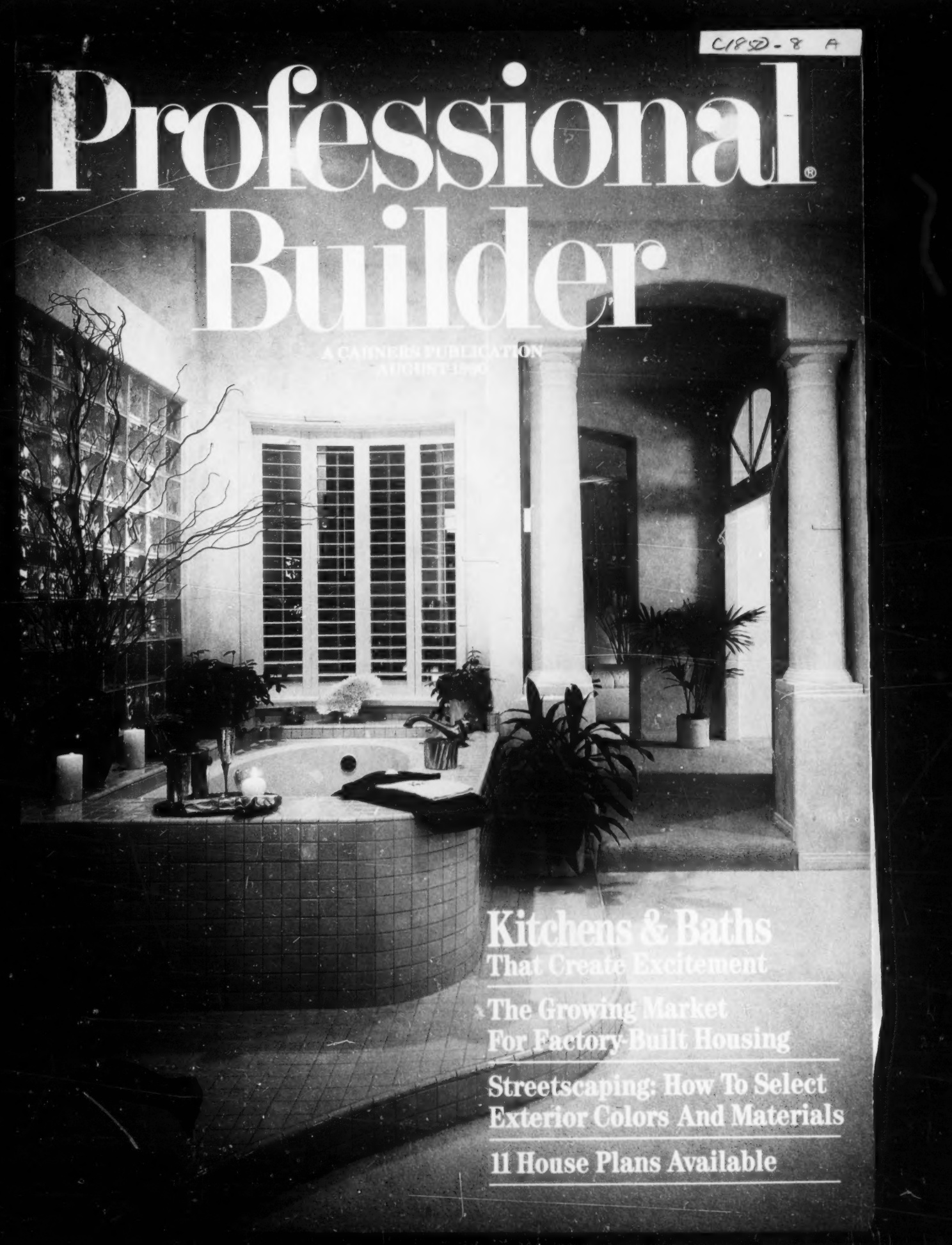

Kitchens & Baths That Create Excitement

The Growing Market For Factory-Built Housing

Streetscaping: How To Select Exterior Colors And Materials

11 House Plans Available

Professional Builder

AUGUST • 1990 VOL. 55

THE MAGAZINE OF HOUSING AND LIGHT CONSTRUCTION/A CAHNERS PUBLICATION

Granite countertops, a built-in cooktop and a wood floor distinguish this TC Communities' showcase kitchen. For more kitchens & baths, see page 86.

Alternate technologies such as stress-skin panel construction are broadening the appeal of the factory-built housing industry. Page 100.

The remodeling challenge posed by this 1950s-era home? Modernize and open up the interior without destroying its charm. Page 117.

FEATURES

Kitchens & Baths That Create Excitement 86

They don't call a model home's kitchen and bath the "power rooms" for nothing. There's probably no other single design element that can more effectively close a sale than well-appointed wet rooms.

The kitchens and baths shown in this feature include an array of designs/amenities. All of these outstanding examples, compiled by senior editors, Dan McLeister and Wayne Endicott, can truly fire the interest of buyers.

The Growing Market For Factory-Built Housing 100

The future looks bright for this segment of the housing industry. According to some informed estimates, by 1993, factory-built housing could account for as much as 27 percent of all housing.

Susan Bady, senior editor, and Eric Benderoff, associate editor, take an in-depth look at several key segments of this market.

Hiring Top Salespeople: Finding Them, Keeping Them 110

The best new home salespeople of the 1990s may not be selling homes today. They may not even be in sales. But almost certainly, say most hiring experts, they aren't builders.

Remodeling Project Of The Month 117

This 1950s-era home in Pasadena, Calif., was a storehouse of memories that couldn't keep up with the current needs of its widowed owner. T.A. Russell Construction restored and highlighted the handcrafted detailing, then met the technical challenge posed by the small, sloping site.

On the Cover

Columns create an elegant step-down entry into the bath at Meeker Development's Palmilla, Laguna Niguel, Calif. Interiors by Carole Eichen Interiors. The designer was Pekarek Crandall. Photographed by Robert Freed.

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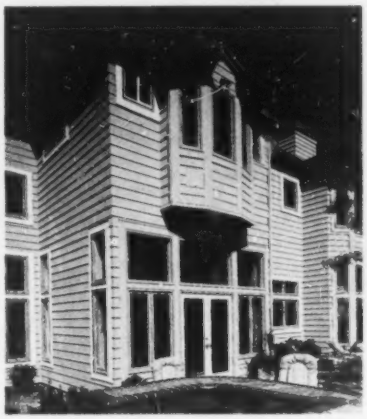
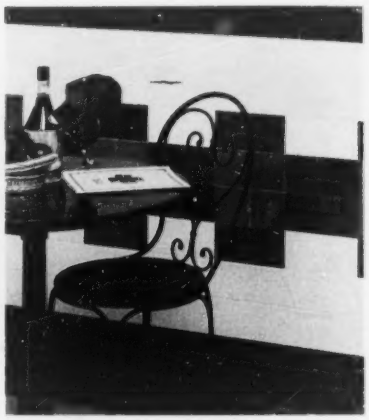


How do exterior colors and materials affect sales? Page 55.

As **rolling recessions** rumble through areas of the country, some builders are seizing opportunities in rebounding markets, others are cutting their losses. In either case, speed is of the essence. Page 22. **Professional Builder & Remodeler** has a series of changes in store for its readers. Page 26. **Exterior colors and materials** can impact a project's success says designer Miriam Tate. Page 55. **Move-up customers** can't buy a new home if they can't unload their old one. Now help may be on the way. Page 62. **Affordable housing** can be provided, say experts, if regulatory barriers can be broken down. Page 75.



Interior product design trends. Page 140.

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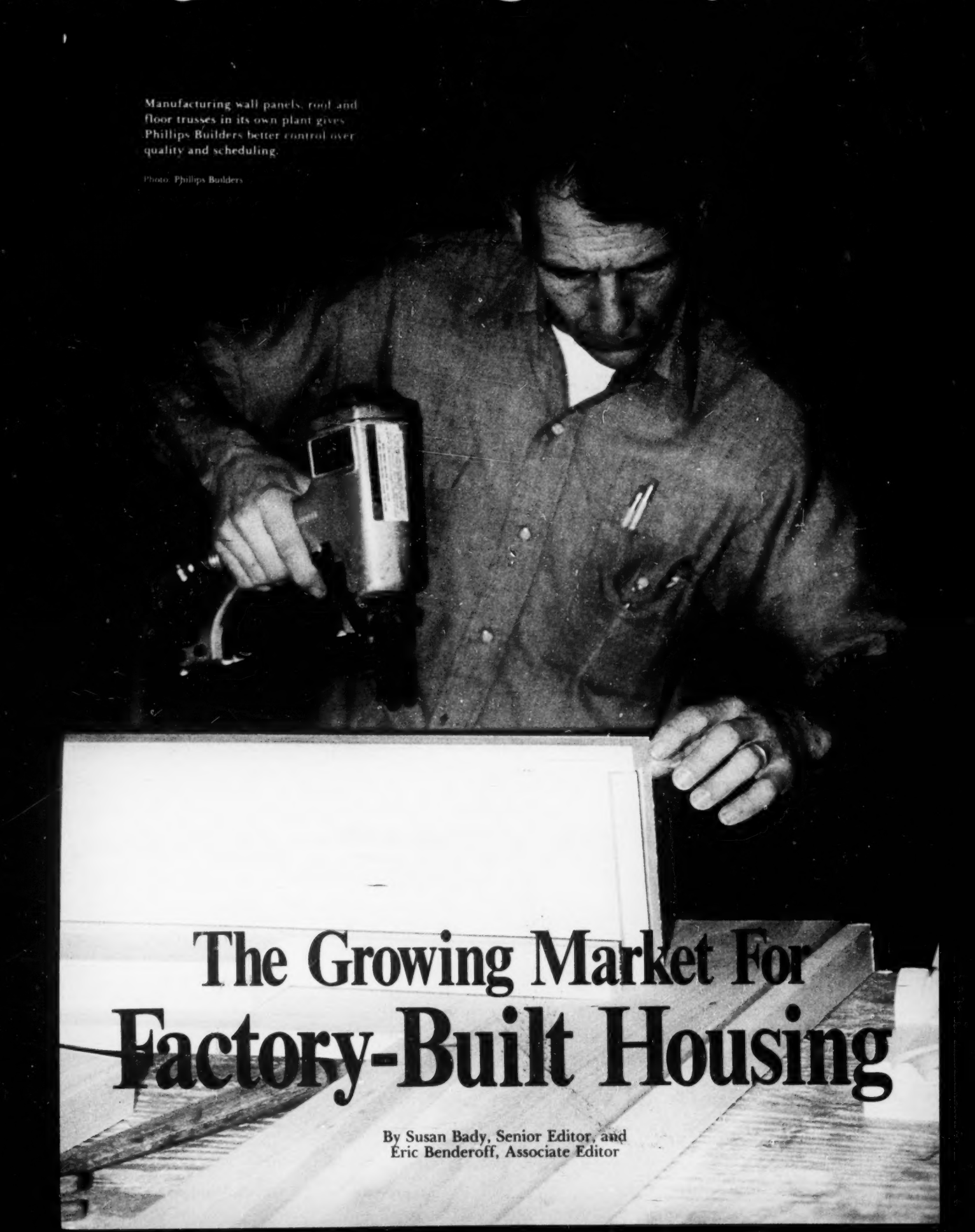

Manufacturing wall panels, roof and floor trusses in its own plant gives Phillips Builders better control over quality and scheduling.

Photo: Phillips Builders

The Growing Market For Factory-Built Housing

By Susan Bady, Senior Editor, and Eric Benderoff, Associate Editor

By 1993, factory-built housing will account for 27 percent of all housing. As product is upgraded, demand will increase.

The first union-built modular housing factory in Chicago will soon begin producing badly needed affordable housing.

According to factory owner Robert Carrane, president of Affordable Housing Inc., the plant will employ 60 workers and produce 14 modular homes per week, each selling for about $59,000. At that price, the houses are within the grasp of families with an annual income as low as $20,000.

His 70,000-square-foot factory, located on Chicago's west side, represents a historic agreement between the leaders of seven building trade unions, including the Carpenters union, Sheet Metal Workers union and Plumbers Chicago Journeymen union.

While Carrane believes modular is the answer to housing shortages throughout urban America, he considers it especially appropriate for Chicago, a city that is subdivided principally into 24- and 25-foot lots. Modular homes fit very well in that configuration, he said.

Carrane foresees a number of modular plant start-ups in Chicago during the next three to five years. "Local unions historically have been reluctant to accept modular construction, but I don't think that reticence exists today," he said.

Study finds emerging growth opportunities

Others besides Carrane are optimistic that the future looks bright for factory-built housing. A recent industry study by the Freedonia Group of Cleveland projects increased shipments of factory-built homes and components, based on what it sees as an overall housing recovery.

Upgrading of all types of building systems will gain consumer acceptance, and replacement demand for manufactured homes (also known as mobile or HUD code homes) will increase. Demand for vacation and second homes will also increase because of rising consumer income levels. As a result, factory-built housing is projected to experience real gains (excluding inflation) of 2.7 percent annually to 500,000 units in 1993, when it will account for 27 percent of total housing.

Many stick builders have successfully protected their markets by incorporating factory-built components and adopting industrialized building techniques. The table shown on this page summarizes past and projected growth of the factory-built housing industry from 1970 through the year 2000.

Factory-Built Housing Market Growth Projections

Item (000 units)	1970	1988	1993	2000	% Annual Growth 1988/1970	% Annual Growth 1993/1988
Total housing starts (both stick and factory built)	1835	1706	1825	1725	- 0.4%	1.4%
Factory-built housing	532	437	500	550	- 1.1%	2.7%
By type:						
Manufactured housing	401	218	250	250	- 3.3%	2.8%
Modular/sectional	27	69	85	105	5.4%	4.3%
Panelized	88	113	120	135	1.4%	1.2%
Pre-cut packages	16	37	45	60	4.8%	4.0%
By market:						
Single-family	529	403	450	475	- 1.5%	2.2%
Multifamily	3	34	50	75	14.4%	8.0%

Source: The Freedonia Group Inc.

Factory-built housing will have an increasing impact on the housing market during the 1990s.

Industry lobbies for building code reform

Add to this positive growth picture some long-needed relief for modular and manufactured housing producers.

Modular producers are currently subject to a veritable forest of regulations, since each state, county, city and village can institute code changes at will.

In March 1990, Congressman Ben Erdreich, D-Ala., introduced a bill, H.R. 4157, that would establish a national pre-emptive regulatory system for residential and commercial modulars and components. H.R. 4157 leans entirely on the three regional model building codes (BOCA, ICBO and SBCCI). Under the bill, Congress would pre-empt all state and local codes and standards for modulars shipped between states and built to one of the three aforementioned codes.

At press time, the Erdreich bill had been referred to the House committee. Jim Birdsong, executive director of the Building Systems Councils of the NAHB, said he was optimistic hearings would take place before the July 4 Congressional recess.

Meanwhile, representatives of the manufactured housing industry have been lobbying for reform of the National Manufactured

Modulars Are Affordable Choice For Inner-City And Rural Areas

Housing Construction and Safety Standards Act of 1974, the law that set up the HUD code. Proposed changes to the law were included in an omnibus housing bill, H.R. 1180, offered by Rep. Jack Hiler, R-Ind.

The Hiler amendment would modernize an outdated law that was patterned after auto safety legislation. Major provisions of the amendment, which recognizes the industry's role in providing affordable housing, include changing the definition of a "manufactured home" to permit units that do not have a permanent chassis and focusing the enforcement system on major problems instead of minor non-compliances.

Hiler's proposals were adopted by the House subcommittee on housing in May 1990. The subcommittee held hearings on the amendment in May and it was passed by the full banking committee in June. At press time, the bill was pending floor action in the House. □

Steel-Frame Units Save Time, Money, Materials

Modular housing is an ideal product for inner-city sites, where labor is scarce, pilferage is a serious problem and too many potential homeowners are still renters. In rural areas, where many live in substandard housing, modulars can be erected easily and quickly, providing a safe, decent and affordable form of shelter.

For the last six years, DeLuxe Homes of Pa. Inc., Berwick, Pa., has focused two-thirds of its total production on steel-frame modular units used to build affordable housing for inner-city neighborhoods.

"All the materials are fastened and secured before the unit hits the job site," said Don Shiner, vice president of DeLuxe. "This eliminates pilferage to a great degree."

The time frame for construction is considerably shorter as compared to stick or panelized construction, Shiner noted, and the cost of producing the modular units runs 10 percent to 20 percent lower than stick building. The steel frame increases fire resistance.

In five months, DeLuxe has installed 174 units at the project shown in the photo below. Units sell for about $185,000, which is 10 percent to 15 percent below market for New York City. □

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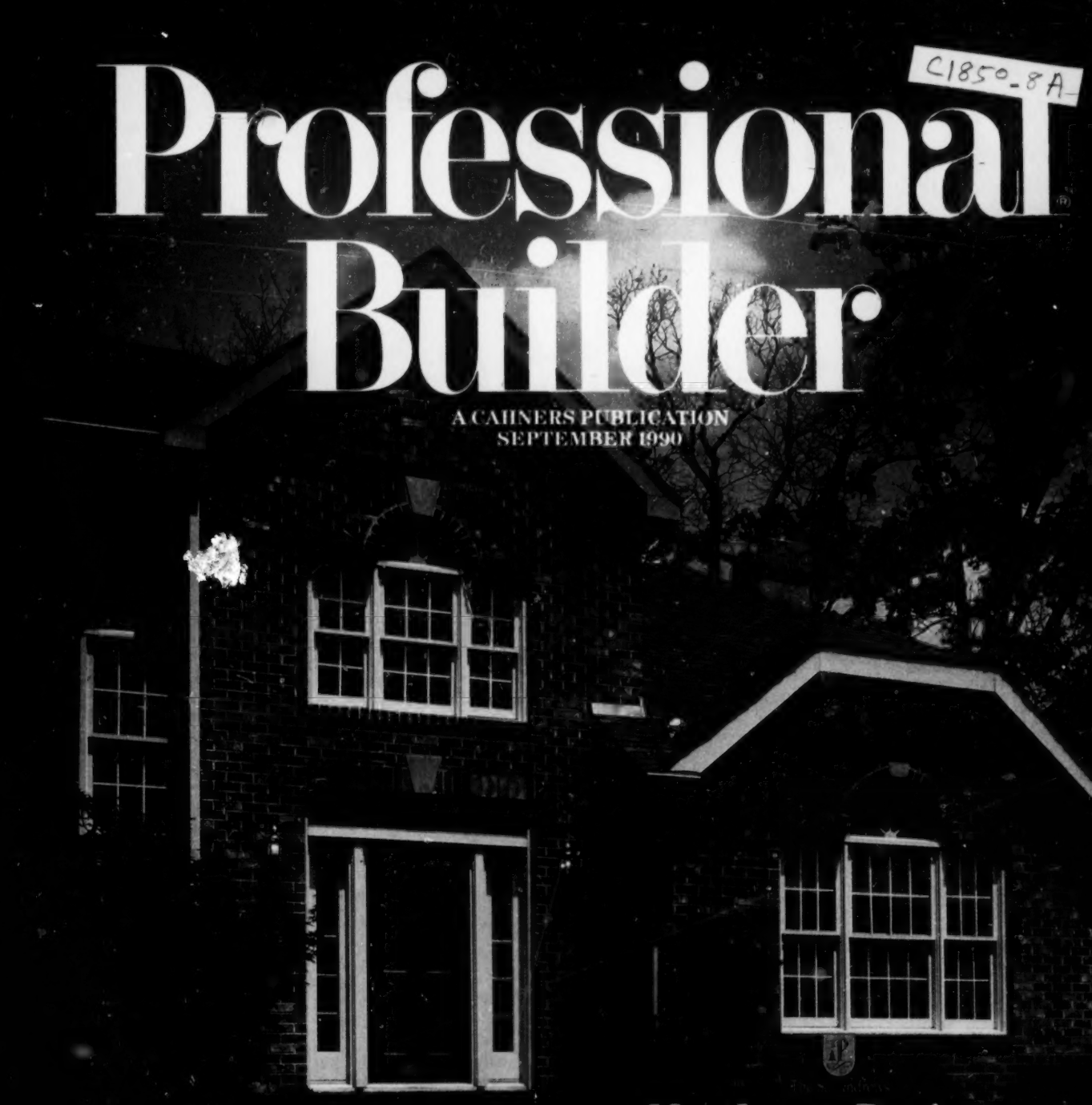

Northeast Designs
Success Stories From A Down Market

Tapping The Elder Segment

Ways To Minimize Your Liability Exposure

19 House Plans Available

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The well-appointed kitchen/breakfast room is one reason the Invitational model at PineCrest is a best seller. Page 88.

Private apartments and homey public spaces spell seniors market success at Colson & Colson's Montvale Estates. Page 104.

United Development lowered the cost of its Hampton model by offering a traditional exterior that's free of expensive extras. Page 122.

FEATURES

Best Of The Northeast: Success In A Down Market 88

The slowdown in housing activity permeating the Northeast is far from over. Markets throughout this region will need time to recover from the runaway appreciation of the 1980s.

But even with the slow rate of construction and sales, senior editors Sue Bady and David Heinly report that there are bright spots. Successful projects can be found where a balance is struck between those qualities that are determined to yield results.

Graying Of America: Tapping The Elders Segment 104

Every day more than 5000 people turn 65, and the 75-plus age group is the fastest growing segment of the elderly population. The sheer size of this market makes it a tempting target for builders.

But be forewarned—when it comes to housing at least—elders are reluctant consumers. A look at two successful companies: Del Webb Communities and Colson & Colson.

Vacation Housing 114

As baby boomers age, the demographic base of potential second-home buyers is growing. While no longer viable as a tax shelter, it is still desirable to this new generation of buyers. Here are lessons from Palm Beach, Fla.; New Jersey's South Shore; and Lake of the Ozarks, Mo.

The PB Home of Quality, Value & Affordability 122

Quality construction, 2465 square feet of space and a quiet location make United Development Homes' Royal Hill a winner in northwest suburban Chicago.

On the Cover

The St. Andrews model is a 3330-square-foot single-family detached model that is part of PineCrest, a residential community in Lansdale Pa. The developer is The Klein Co., Philadelphia. Photography by Fred Forbes.